BC Assessment

40 YEARS OF VALUE TO BC

BRITISH COLUMBIA ASSESSMENT AUTHORITY

STATEMENTS & SCHEDULES OF FINANCIAL INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2013

BRITISH COLUMBIA ASSESSMENT AUTHORITY

STATEMENTS AND SCHEDULES OF FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2013

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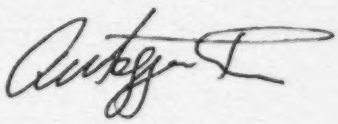
BRITISH COLUMBIA ASSESSMENT AUTHORITY

FIR, Schedule 1, section 9

SATEMENT OF FINANCIAL INFORMATION APPROVAL

The undersigned represents BC Assessment Management and has the overall responsibility for the preparation of the financial information included in this report, produced under the *Financial Information Act.*



Name: Andy Hoggarth
Title: Vice President and Executive Financial Officer

Date: June 28, 2014

Financial Statements of

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Year ended December 31, 2013

BRITISH COLUMBIA ASSESSMENT AUTHORITY

Management's Responsibility for the Financial Statements

The accompanying financial statements of British Columbia Assessment Authority (BC Assessment) are the responsibility of BC Assessment's management and have been prepared in compliance with legislation, and in accordance with generally accepted accounting principles for public sector organizations established by the Public Sector Accounting Board of the Chartered Professional Accountants. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods. In management's opinion, the financial statements have been properly prepared within the framework of the accounting policies summarized in the financial statements and incorporate, within reasonable limits of materiality, all relevant information available at April 16, 2014.

Management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems include formal written policies and procedures, careful selection and training of qualified personnel, and appropriate delegation of authority and segregation of responsibilities within the organization. An internal audit function independently evaluates the effectiveness of these internal controls on an ongoing basis and reports its findings to management and the Audit & Risk Management Committee.

The Audit and Risk Management Committee meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to the Board's approval of the financial statements.

The financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by BC Assessment's Board of Directors. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination, and their opinion on BC Assessment's financial statements.

Connie Fair
President and Chief Executive Officer

Andy Hoggarth
Vice President and Executive Financial Officer

Victoria, British Columbia, Canada
April 16, 2014

Grant Thornton

Independent Auditors' Report

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To the Board of Directors of British Columbia Assessment Authority, and
To the Minister of Community, Sport and Cultural Development, Province of British Columbia

We have audited the accompanying financial statements of British Columbia Assessment Authority, which comprise the statement of financial position as at December 31, 2013 and the statements of operations, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Audit • Tax • Advisory
Grant Thornton LLP. A Canadian Member of Grant Thornton International Ltd

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of British Columbia Assessment Authority as at December 31, 2013 and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Grant Thornton LLP

Victoria, Canada
April 16, 2014

Chartered accountants

Audit • Tax • Advisory
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BRITISH COLUMBIA ASSESSMENT AUTHORITY

Statement of Financial Position

As at December 31, 2013
(In thousands of dollars)

	December 31 2013	December 31 2012
Financial assets:		
Cash and cash equivalents (note 2)	$ 34,500	$ 28,353
Accounts receivable	1,778	1,838
Accounts receivable from provincial government	314	241
	36,592	30,432
Liabilities		
Accounts payable and accrued liabilities	4,791	3,113
Accounts payable due to provincial government	1,278	665
Employee benefits and other liabilities (note 3)	9,454	9,539
Lease inducements	4,188	3,712
Capital lease obligations (note 4)	652	797
	20,363	17,826
Net financial assets	16,229	12,606
Non-financial assets:		
Tangible capital assets (note 5)	13,225	14,815
Prepaid expenses	1,389	1,132
	14,614	15,947
Accumulated surplus (note 5)	30,843	28,553

Commitments (note 7)

The accompanying notes are an integral part of these financial statements.

On Behalf of the Board:

Director

Director

BRITISH COLUMBIA ASSESSMENT AUTHORITY
Statement of Operations

Year ended December 31, 2013
(In thousands of dollars)

	Budget (note 10)	2013	2012
Revenues:			
Tax levies	$ 81,464	$ 82,085	$ 79,102
Data access services	3,584	3,559	3,547
Payments in lieu of taxes	825	954	799
First Nations	560	613	577
Investment income	240	356	284
Other	312	321	27
Gain on disposal of tangible capital assets	-	35	66
	86,985	87,923	84,402
Expenses:			
Employee expenses	57,309	56,303	56,007
Information and communications technology (note 8)	7,434	9,119	7,139
Office premises	6,401	6,463	6,211
Amortization	5,214	3,962	5,207
Appeal costs (note 9)	4,141	3,046	3,924
Corporate and office	2,665	3,364	2,449
Travel	2,213	1,698	1,409
Assessment notice printing and postage	1,608	1,678	1,573
Total expenses	86,985	85,633	83,919
Annual surplus	-	2,290	483
Accumulated surplus, beginning of year	28,553	28,553	28,070
Accumulated surplus, end of year	$ 28,553	$ 30,843	$ 28,553

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
Statement of Change in Net Financial Assets

Year ended December 31, 2013
(In thousands of dollars)

	Budget (note 10)	2013	2012
Annual surplus	$ -	$ 2,290	$ 483
Acquisition of tangible capital assets	(3,328)	(2,372)	(4,739)
Amortization of tangible capital assets	5,214	3,962	5,207
Reclassification of work-in progress	-	-	190
Gain on sale of tangible capital assets	-	(35)	(66)
Proceeds on sale of tangible capital assets	-	35	66
	1,886	3,880	1,141
Change in prepaid expenses	-	(257)	(212)
Change in net financial assets	1,886	3,623	929
Net financial assets, beginning of year	12,606	12,606	11,677
Net financial assets, end of year	$ 14,492	$ 16,229	$ 12,606

The accompanying notes are an integral part of these financial statements.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
Statement of Cash Flows

Year ended December 31, 2013
(In thousands of dollars)

	2013	2012
Cash provided by (used in):		
Operating activities:		
Annual surplus	$ 2,290	$ 483
Items not involving cash:		
Amortization	3,962	5,207
Change in lease inducements	476	231
Gain on sale of tangible capital assets	(35)	(66)
Change in employee benefits and other liabilities	(85)	231
Change in non-cash assets and liabilities:		
Accounts receivable	(13)	(185)
Accounts payable and accrued liabilities	2,291	(429)
Prepaid expenses	(257)	(212)
Net change in cash from operating activities	8,629	5,260
Capital activities:		
Proceeds on sale of tangible capital assets	35	66
Reclassification of work-in progress	-	190
Cash used to acquire tangible capital assets	(2,339)	(4,739)
Net change in cash from capital activities	(2,304)	(4,483)
Financing activities:		
Financing used to acquire tangible assets	(33)	-
Principal payments on tangible capital leases	(145)	(184)
Net change in cash from financing activities	(178)	(184)
Net change in cash	6,147	593
Cash and cash equivalents, beginning of year	28,353	27,760
Cash and cash equivalents, end of year	$ 34,500	$ 28,353
Supplementary cash flow information:		
Non-cash transactions		
Financing used to acquire tangible capital assets	$ 33	$ -

The accompanying notes are an integral part of these financial statements.

The British Columbia Assessrnent Authority ("BC Assessment") was established in 1974 as an independent Crown corporation by the Province of British Columbia by enactment of the *Assessment Authority Act*. The purpose of BC Assessment is to establish and maintain assessments that are uniform in the whole of the province in accordance with the *Assessment Authority Act*. BC Assessment is exempt from income taxes under the *Income Tax Act*.

1. Significant accounting policies:

The financial statements of BC Assessment are prepared by management in accordance with Canadian generally accepted accounting principles for governments as recommended by the Public Sector Accounting Board (PSAB) standards. Significant accounting policies adopted by BC Assessment are as follows:

(a) Basis of accounting:

BC Assessment follows the accrual method of accounting for revenues and expenses. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Financial instruments

Financial instruments are accounted for in accordance with Public Sector Accounting Standard 3450. Financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, all of which are reported at amortized cost.

(c) Revenues:

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenues.

Tax levies: BC Assessment, each year by by-law and subject to the prior approval of the Lieutenant Governor in Council, imposes and levies a tax upon all taxable real property in the province, but excluding property that is taxable for school purposes only by special Act. A copy of this by-law is forwarded to the Tax Collector of every municipality in the province and to the Surveyor of Taxes in order that the taxes levied will be placed on the tax rolls. The proceeds of the taxes levied and collected by the municipalities or the Minister of Finance constitutes BC Assessment's tax levy revenue. This revenue is recognized equally across all periods in the year.

Other revenue: Other revenue includes revenue from data access services, payments in lieu of taxes, contracts with First Nations, and other miscellaneous revenue. Data access revenue and other miscellaneous revenue are recognized when earned, while payments in lieu of taxes and First Nations revenue are recognized equally across all periods throughout the year.

Investment: Investment revenue includes interest on deposits in banks, and earnings generated by short-term investments, and are reported as revenue in the period earned.

1. Significant accounting policies (continued):

(d) Lease inducements:

Lease inducements include cash payments, tenant improvement allowances, reduced rent and rent free periods. The lease inducement benefits are amortized on a straight-line basis over the term of the lease.

(e) Cash equivalents:

Cash equivalents include liquid investments that can be redeemed on demand without penalty. Investments are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss in value that is not a temporary decline in value, the respective investment is written down to recognize the loss.

(f) Employee future benefits:

(i) BC Assessment and its employees make contributions to the Public Service Pension Plan. This plan is a multi-employer defined benefit plan providing a pension at retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. The joint trustee board of the plan determines the required plan contributions annually. These contributions are expensed as incurred.

(ii) Retirement and other future benefits are also available to BC Assessment's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages, expected future salary and wage increases, long-term inflation rates and discount rates. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

(g) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

1. Significant accounting policies (continued):

(h) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful life - years
Buildings	20
Assessment system software	10 to15
Enterprise resource planning software	10
Furniture and equipment	5
Motor vehicles	5
Computer equipment	3
Other software	3 to 5
Leasehold improvements	Equal to the lease term
Leased equipment	Equal to the lease term

Amortization is performed on a straight-line basis, and is dependent on the value and timing of each purchase transaction, and when each asset was available for productive use. Assets under construction are not amortized until the asset is available for productive use. Tangible capital assets are written down when conditions indicate that they no longer contribute to BC Assessment's ability to provide services, or when the value of the future economic benefits associated with the tangible capital assets is less than their net book value. The net write-down is accounted for as an expense in the statement of operations.

BC Assessment completed a review of the useful life of its assessment system software which was scheduled to be fully amortized by 2014. The estimated useful life was extended to 2018 as the company will continue to use and derive benefits from the existing system until its planned replacement scheduled for 2018. This change in the accounting estimate was accounted for prospectively and resulted in a reduction in amortization expense of approximately $760 for the current year.

(i) Leased tangible capital assets

Leases that transfer substantially all the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the p riod. Significant estimates include assumptions used in estimating provisions for accrued liabilities, the useful life of capital assets and in performing actuarial valuations of employee future benefits. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these financial statements. Actual results could differ from these estimates.

2. Cash and cash equivalents:

Cash equivalents include liquid investments that can be redeemed on demand without penalty. Cash and cash equivalents reported on the statement of financial position have cost values as follows:

	December 31, 2013 Cost	December 31, 2012 Cost
Cash	$ 1,062	$ (287)
Cash Equivalents [notes 1(e) and 12]	33,438	28,640
Total	$ 34,500	$ 28,353

3. Employee benefits and other liabilities:

The employee benefit and other liabilities, reported on the statement of financial position, are made up of the following:

	December 31, 2013 Cost	December 31, 2012 Cost
Employee future benefits	$ 3,464	$ 3,390
Employee past benefits	6	6
Other liabilities	5,984	6,143
Total	$ 9,454	$ 9,539

Other liabilities include outstanding payables for employer remittances, accrued salaries, vacation, and overtime.

Employees' past benefits:

At the time the British Columbia Assessment Authority was formed, BC Assessment negotiated an agreement with those designated employees whose previous working agreements contained clauses that called for payment of certain benefits upon death, retirement or termination of employment. The benefits under the agreement are recognized as a liability. Adjustments to the liability resulting from changes in salary rates are charged to the current year. Payments of benefits are treated as a reduction of the liability.

Employees' future benefits:

Outside of the Public Service Pension Plan, BC Assessment annually accrues the future obligation under the defined retirement benefit plan as the employees render the services necessary to earn the benefit. These retirement benefit plans include a retirement allowance, unearned vacation entitlement, and death benefits. An independent actuarial valuation of the post-employment benefits obligation and net periodic benefit cost was calculated at October 31, 2011 using management's estimates of salary escalation and expected retirement ages. This valuation was then extrapolated to December 31, 2013. The recorded liability represents these estimated future costs discounted to a present value using market interest rates applicable to BC Assessment.

3. Employee benefits and other liabilities (continued):

Information about BC Assessment's retirement benefit plans is as follows:

	2013	2012
Accrued benefit obligation:		
Balance, beginning of year	$ 3,390	$ 3,618
Current benefit cost	285	258
Interest	101	118
Benefits paid	(331)	(607)
Amortization of Loss	19	3
Balance, end of year	$ 3,464	$ 3,390
Actuarial benefit obligation:		
Accrued benefit obligation	$ 3,464	$ 3,390
Unamortized actuarial loss	39	222
Balance, end of year	$ 3,503	$ 3,612

The significant actuarial assumptions adopted in measuring BC Assessment's accrued benefit obligations are as follows:

	2013	2012
Discount rate	3.30%	2.70%
Expected future inflation rate	1.50%	1.50%
Expected productivity and seniority increases	1.10% to 3.65%	1.10% to 3.65%

Over time, changes in assumptions and actual experience compared to expected results will cause actuarial gains and losses in future valuations. An increase in the discount rate from 2012 to 2013, partially offset by actual benefit payments being less than expected, has created a net actuarial loss at December 31, 2013.

The unamortized actuarial loss on future payments is amortized over the estimated average service lives of the employees which is 12 years.

3. Employee benefits and other liabilities (continued):

Other pension plans:

BC Assessment and its employees contribute to the Public Service Pension Plan in accordance with the *Public Sector Pension Plans Act*. The British Columbia Pension Corporation administers the plan, including payment of pension benefits to employees to whom the act applies. The Public Service Pension Plan is a multi-employer, defined benefit plan. Under joint trusteeship, the risk and reward associated with the Plan's unfunded liability or surplus is shared between the employers and the plan members and will be reflected in their future contributions. The most recent actuarial valuation (March 31, 2011) determined the Plan had an unfunded liability. As a result, the Public Service Pension Board of Trustees implemented a contribution rate increase of 0.40% each, for plan members and employers to meet the funding requirements of the *Pension Benefits Standards Act*. The increase in rates went into effect April 1, 2012.

Contributions to the Plan by BC Assessment for 2013 were $3,945 (2012 - $3,980).

4. Capital lease obligations:

BC Assessment has entered into capital leases for certain office equipment. The minimum lease payment obligations are as follows:

Year ending December 31:	2013	2012
2013	$ -	$ 289
2014	304	289
2015	304	289
2016	252	105
Subtotal	860	972
Less amount representing interest at 3% per annum	-	(175)
Less amount representing interest at 5% per annum	(208)	-
Present value of net minimum capital lease payments	$ 652	$ 797

Interest of $120 (2012 - $105) relating to capital lease obligations has been included in expenses on the Statement of Operations.

5. Tangible capital assets:

Cost	Balance at December 31 2012	Additions	Disposals	Balance at December 31 2013
Land	$ 354	$ -	$ -	$ 354
Buildings	2,519	-	-	2,519
Furniture and equipment	5,180	370	-	5,550
Computer equipment	9,077	875	-	9,952
Motor vehicles	1,933	-	(195)	1,738
Leasehold improvements	6,648	744	(945)	6,447
Leased equipment	1,150	33	-	1,183
Assessment system software	14,696	354	-	15,050
Other software	1,808	(4)	(71)	1,733
Enterprise resource planning software	2,001	-	-	2,001
Total	$ 45,366	$ 2,372	$ (1,211)	$ 46,527

Accumulated amortization	Balance at December 31 2012	Disposals	Amortization expense	Balance at December 31 2013
Land	$ -	$ -	$ -	$ -
Buildings	1,974	-	126	2,100
Furniture and equipment	3,590	-	760	4,350
Computer equipment	7,963	-	738	8,701
Motor vehicles	1,581	(195)	148	1,534
Leasehold improvements	2,162	(945)	620	1,837
Leased equipment	438	-	223	661
Assessment system software	11,147	-	710	11,857
Other software	1,296	(71)	237	1,462
Enterprise resource planning software	400	-	400	800
Total	$ 30,551	$ (1,211)	$ 3,962	$ 33,302

Net book value	Balance at December 31 2012	Balance at December 31 2013
Land	$ 354	$ 354
Building	545	419
Furniture and equipment	1,590	1,200
Computer equipment	1,114	1,251
Motor vehicles	352	204
Leasehold improvements	4,486	4,610
Leased equipment	712	522
Assessment system software	3,549	3,193
Other software	512	271
Enterprise resource planning software	1,601	1,201
Total	$ 14,815	$ 13,225

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves as follows:

	2013	2012
Accumulated Surplus:		
Equity invested in tangible capital	$ 12,573	$ 14,018
Unappropriated	2,270	9,035
	14,843	23,053
Reserves:		
Future tangible capital asset acquisitions	13,000	5,500
Operating	3,000	-
	16,000	5,500
Accumulated surplus, end of year	$ 30,843	$ 28,553

Certain amounts, as approved by the Board, are set aside in accumulated surplus for future financial obligations and tangible capital asset purposes. Transfers to and from funds are an adjustment to the respective fund when approved.

Future tangible capital assets reserve: the purpose of this reserve is to help manage large fluctuations in capital spending from one year to the next. This reserve will be used to fund capital items needed on an annual basis to keep the tangible capital assets maintained at an acceptable level necessary for BC Assessment to deliver its core mandate.

Operating reserve: the purpose of this reserve is to finance an unintended deficit. Unintended deficits would be caused largely by unexpected changes in revenues or costs for items that are outside management's control.

7. Commitments:

BC Assessment is committed to make payments under operating leases and contracts as follows:

Commitments	2013	2012
2013	$ -	$ 12,140
2014	12,712	10,607
2015	9,591	8,459
2016	9,487	8,355
2017	8,124	7,093
2018	5,775	5,250
2019-2017	25,877	28,165
Total Commitments	$ 71,566	$ 80,069

8. Information and communications technology:

The information and communications technology expenditures include a transfer of $1,250 to the Integrated Cadastral Information Society to administer BC Assessment's ParcelMap Grant Program. The objective of this program is to assist local governments to transition from their current land information systems to the consolidated parcel fabric system, ParcelMap BC. This transfer was authorized by the Board of Directors in 2013 and meets the eligibility criteria of Public Sector Accounting Standard 3410.35.

9. Appeal costs:

BC Assessment is required to reimburse the Province of British Columbia for the operating costs of the Property Assessment Review Panel and the Property Assessment Appeal Board.

10. Budget data:

The 2013 operating and capital budgets approved by the Board on November 30, 2012 have been provided for comparison purposes.

11. Related party transactions:

BC Assessment is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations, and all public sector organizations such as school districts, colleges, universities, and health authorities that are included in the provincial government reporting entity. In addition, transactions with senior management, directors, immediate family members of senior management and directors, and companies with which any of the above have a financial interest are also considered related parties. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Statement of Operations includes the following transactions with related parties of the Province of British Columbia:

	2013	2012
Revenue:		
Other revenue	$ 3,532	$ 2,905
Expenses:		
Appeal costs	2,428	2,677
Employee expenses	883	947
Office	213	166
Professional services	1,422	1,041
Interest	20	23
Office premises	482	466
Travel	-	1
Assets (liabilities) at December 31 with related parties		
Accounts receivable	314	241
Accounts payable	(1,278)	(665)

11. Related party transactions (continued):

BC Assessment contracted with the Province for the disposal of surplus property, plant and equipment with net proceeds of $35 (2012 - $66).

12. Financial risk management:

In the normal course of operations, BC Assessment is exposed to a number of risks that can affect its operating performance. BC Assessment has exposure to the following risks from its use of financial instruments: credit risk, market risk, currency risk, interest rate risk, and liquidity risk. Management and the Board of BC Assessment ensure that BC Assessment identifies and monitors its risks. It is management's opinion that the BC Assessment is not exposed to significant risks arising from these financial instruments.

Credit risk: Credit risk is the risk of financial loss to an institution if a customer or counterparty to a financial instrument fails to meets its contractual obligations. Such risks arise primarily from certain assets held consisting of cash, cash equivalents and accounts receivable. BC Assessment is exposed to credit risk in the event of non-performance by a customer. This risk is mitigated because 99% of accounts receivable are current; therefore, management does not consider it to be impaired. It is management's opinion that BC Assessment is not exposed to significant credit risk associated with cash and cash equivalents as they are placed with the British Columbia Investment Management Corporation in highly liquid units of a Canadian Money Market Fund.

Market risk: Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk and interest rate risk.

Currency risk: Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rates. It is management's opinion that BC Assessment is not exposed to significant currency risk, as amounts held and purchases made in foreign currency are insignificant.

Interest rate risk : Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. BC Assessment is exposed to interest rate risk through its cash equivalents. It is management's opinion that the BC Assessment is not exposed to significant interest rate risk as they invest solely in short term treasury bills that have a maturity date of no more than 91 days from date of acquisition.

Liquidity risk: Liquidity risk is the risk that BC Assessment will not be able to meet its financial obligations as they become due. BC Assessment manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing activities to ensure, as far as possible, that it will have sufficient liquidity to meets its liabilities when they become due.

13. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF DEBTS
AS AT DECEMBER 31, 2013

There were no debts at December 31, 2013 other than those shown in the Financial Statements.

- Prepared under the Financial information Regulation, Schedule 1, s. 4

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
AS AT DECEMBER 31, 2013

This organization has not given any guarantee or indemnities under the Guarantees and Indemnities Regulation.

- Prepared under the Financial information Regulation, Schedule 1, s. 5

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2013

Remuneration

Remuneration reported for employees reflects calendar year 2013 T4 salaries paid.

Remuneration reported for members of the Board of Directors reflects fiscal year 2013 fees as reported in the Financial Statements of BC Assessment.

Expenses

Expenses for employees and for members of the Board of Directors reflect fiscal year 2013 expenses as reported in the Financial Statements of BC Assessment for all travel, moving, education and professional association expenses paid to or on behalf of BC Assessment staff. Reported expenses may include payments which have also been included on the Schedule of Supplier Payments where such payments were made on behalf of employees and Board members to suppliers of services such as travel and educational agencies.

Benefits

Employee benefits reported reflect 2013 fiscal year expenses as reported in the Financial Statements of BC Assessment.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
CABINET APPOINTEES
FOR THE YEAR ENDED DECEMBER 31, 2013

1. Members of the Board of Directors

NAME	POSITION	REMUNERATION	EXPENSES
Sheila Eddin	Member, Board of Directors	$ 5,550	$ 674
Philip Foucher	Member, Board of Directors	6,750	7,705
Shelley Gilberg	Member, Board of Directors	5,850	1,483
Janet E. Heino	Member, Board of Directors	2,400	472
Ernest Jack	Member, Board of Directors	6,576	5,490
Ron Miles	Member, Board of Directors	5,100	2,589
Deborah Nelson	Member, Board of Directors	4,200	981
Judy Rogers	Member, Board of Directors	8,674	7,204
Charlotte Salomon	Member, Board of Directors	6,300	6,107
Johannes Smienk	Member, Board of Directors	6,522	8,718
Johann Starke	Member, Board of Directors	4,578	16,438
Richard Taylor	Member, Board of Directors	8,750	5,022
Ben Vanderhorst	Member, Board of Directors	7,635	8,728
	TOTALS	**$ 78,885**	**$ 71,611**

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
Alexander, Peter W	$ 107,101	$ 6,734
Allwork, Clive A	98,015	1,148
Angus, Sylvia E	77,137	2,701
Anslow, Anthony S	78,744	1,156
Antonik, David L	76,426	2,908
Arnett, Michael M	86,194	5,088
Audette, Cameron	94,427	1,513
Autajay, Alan	78,536	2,023
Bakker, Peter J	85,427	3,507
Barnsley, William C.	107,338	6,495
Barry, John P.	90,311	2,225
Basra, Harpreet	84,161	3,404
Bates, Duane W	134,320	22,206
Bellamy, April-Dawn	86,032	2,594
Bennett, Bruce C	89,036	1,017
Berry, Fran	84,890	2,916
Beuthin, Darryn J	79,892	4,166
Bhullar, Harpreet	78,598	5,507
Boag, Kent L	84,126	2,798
Bonner, Sarah	81,359	2,843
Borgo, Paul M	115,601	6,723
Bosmann, Jan F	86,604	7,751
Bourassa, Barton	84,890	1,762
Boyd, Kim A	87,568	5,945
Boyd, Robert	83,054	1,971
Boyle , Laura	98,184	4,451
Brakefield, Alan K	95,513	3,222
Bretherton, Peter M	164,152	13,422
Brock, Douglas M	84,126	1,278
Brosch, Gerhard	133,705	17,935
Brown, Harold T.	84,856	9,403

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
Carleton, Nancy	$ 106,711	$ 6,207
Cartwright, Vanessa	87,030	4,813
Castle, John E	84,931	16,507
Chan, R. Brent	106,188	9,465
Chau, Philip C.	77,862	2,538
Coburn, Derek S	78,426	12,820
Cox, Dan P	84,596	4,067
Currie, Don	84,151	2,783
Danakody, Reuben M	132,177	14,856
Danchuk, Christopher	109,712	4,547
Dawson, William N	107,466	9,796
Dedeluk, Lisa	99,206	5,841
Deng, Yu (David)	76,556	4,339
Derkson, Lacy	85,585	3,919
Diederichs, Karen J.	88,518	3,410
Dooley, Jason E	85,045	2,487
D'Souza, Simone B	84,114	4,633
Duch, Karen L	85,055	9,637
Dumbelton, Peter J.	93,168	1,188
Dunn, Lyle G	87,040	3,494
Edwards, J. Bruce	81,042	6,307
Elves, Andrea	80,747	-
Ene, Maarten G	84,880	2,386
Evans-Atkinson, Bruce N	86,209	2,768
Fair, Constance	206,587	61,059
Fan, Lanfei	81,476	859
Fitzpatrick, Bruce E	85,921	10,956
Francis, Deborah A	113,622	6,849
Gatien, Joe A	85,271	5,266
Girdler, Sara A	84,399	3,984
Grant, Jason R	136,733	10,564

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
Green, John A	$ 110,594	$ 9,132
Greig, Robbin I	83,327	2,136
Hamilton, Gary D	84,881	3,566
Hans, Robbie	84,807	2,816
Held, Graham	113,104	15,004
Hickson, Dennis F	116,803	8,140
Highfield, David C	168,215	26,239
Hill, Mark C.	77,110	305
Hodge, Janice E	83,858	3,362
Hoggarth, George A.	161,778	17,376
Holloway, Derek R	85,634	2,861
Ireland, Tina M	110,034	17,959
Jablonski, Shari	77,788	4,949
Jerke, Darren W	85,000	1,935
Johnson, Darin J	106,222	2,460
Kang, Kashmir	140,603	6,519
Katz, Mark I	130,263	2,548
Kingston, David K	85,351	3,587
Knight, Bonnie C	99,149	9,325
Kunz, Sabrina L.	102,616	14,831
Kwan, Richard H	84,933	2,368
Lai, Sarah W	84,654	6,259
Lance, Carol M	81,767	1,197
Lane, Bradley K	132,175	22,107
Lazenby, Charles	76,970	315
LeNoury, Katrina	115,631	13,584
Lim, Michelle	88,410	2,638
Love, Tracey	84,254	4,840
Low, Robert J	85,025	2,790
MacDonald, Catherine	112,614	-
MacGougan, William S	132,888	16,387

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
MacLean, Laura C	$ 77,172	$ 5,292
Madden, John	158,565	8,455
Mahanger, Mandeep S.	85,867	4,781
Marolla, Gerry	115,167	9,021
Matthews, Averil J	85,696	3,908
Mauritz, Hartmut	153,775	34,630
McClellan, Tracey	79,560	7,277
McComber, Melanie L	84,336	3,468
McCoy, David	89,702	9,720
McDonald, Grant G	113,176	7,370
McGinnis, M. Sean	84,155	5,820
McInnes, Shandra L	86,070	5,186
McPhail, Kevin B	85,936	5,972
Mercer, Harry S	154,821	4,907
Mitchell, Jason W	88,917	2,173
Mohammed, David	92,801	1,566
Mrazek, Paul D	84,216	3,653
Murray, Jack	95 903	5,390
Neufeldt, J. Glen	85,390	4,657
Nickle, Raymond J	81,408	3,665
O'Grady, Jonathan	83,067	3,876
Papoutsakis, Niko P	86,388	2,952
Parkes, Meredith L	98,393	3,389
Parsons, Jacqueline S	84,126	1,354
Paton, Gregg	127,773	12,875
Pearson, Mats	83,845	3,490
Peck, Nancy L.	103,324	5,093
Pollock, Bruce	114,954	6,246
Polomark, Michael J	84,176	1,640
Pringle, Thomas W	87,295	3,994
Radtke, Geoffrey D	97,725	11,189

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
Randhawa Paul, Char	$ 111,088	$ 4,820
Randle, Christina G	77,055	2,730
Ravenstein, Rodney	104,815	11,913
Redlich, Kim T	84,880	1,762
Robertson, David A	84,236	2,689
Rush, Elizabeth A.	95,928	5,274
Sandhu, Rajan	98,667	11,482
Santella, Fernando M	86,250	4,569
Schwagele, Laura E	123,204	7,857
Sear, Brent	85,190	2,386
Shum, Edward C	111,797	4,283
Shymko, Tracy L.	75,558	13,258
Sidhu, Rick	86,064	4,219
Sisodraker, Dharmesh	111,918	7,275
Sitter, Scott B	126,747	28,408
Smith, Darlene L.	108,741	-
Snow, John A	85,516	2,856
Sowinski, Jason J	111,971	10,257
Spatharakis, Michael	98,494	13,546
Stenson, Devin	76,035	4,311
Stewart, James R	120,125	5,227
Stock, Alan	85,127	2,370
Sturrock, Chris F	84,252	1,522
Tapp, Sybilla M	91,726	2,647
Thomas, Janice L	109,505	12,967
Thompson, David R	77,222	823
Thompson, Vivian	79,463	5,719
Walker, R. Jay	85,541	3,359
Wall, Tracy C	107,246	12,788
Wallis, Lori	85,262	6,103
Warkentin, Boris J	82,353	2,025

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF REMUNERATION AND EXPENSES
PAID TO OR ON BEHALF OF EMPLOYEES
FOR THE YEAR ENDED DECEMBER 31, 2013

2. Employees

NAME	RENUMERATION	EXPENSES
Weston, Terezina C	$ 104,685	$ 4,181
Whiteley, Ann M	86,518	2,430
Whyte, Christopher J	106,264	18,388
Williamson, Douglas B	85,914	2,253
Wong, Margaret	84,136	2,855
Wood, W. Greg	110,040	9,660
Wooldridge, G. Mark	92,223	800
Wright, Cynthia	75,218	8,635
Yannacopoulos, John	141,857	19,253
Yip, Vicky L	84,202	1,599
Zaborniak, Todd L	84,161	6,205
Zak, Nolan	89,180	3,514
Zdunich, Richard M	84,252	7,117
Zhao, Meng M	77,409	4,313
Ziola, David J	84,924	9,889
Total, employees earning less than $75,000	29,038,577	1,219,425
	45,472,440	2,335,663
Benefits paid by employer:		
Receiver General for Canada - CPP, EI		2,277,206
Dental and Extended Health Premiums		1,457,096
Medical Premiums		758,774
Life and Disability Premiums		1,355,584
Pension		3,944,849
	$ 45,472,440	**$ 12,129,172**

• Prepared under the Financial Information Regulation, Schedule 1, s. 6 (2) (3) (4) (5) and (6)

BRITISH COLUMBIA ASSESSMENT AUTHORITY
STATEMENT OF SEVERANCE AGREEMENTS
AS AT DECEMBER 31, 2013

There was one severance agreement under which payment commenced between BC Assessment and its non-unionized employees during fiscal year 2013. This agreement represented four weeks of compensation.

• Prepared under the Financial Information Regulation, Schedule 1, subsection 6 (7)

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULES OF PAYMENTS TO SUPPLIERS OF GOODS AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

Supplier payments reported reflect payments made during fiscal 2013 with no adjustments for the Goods and Services Tax and Harmonized Sales Tax rebate, or for accruals.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF PAYMENTS TO SUPPLIERS
FOR GOODS AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

NAME		PAYMENT
1500 Hardy Street LP	$	429,264
2725312 Canada Inc.		1,174,727
624452 BC Ltd.		84,431
Advanced Parking Systems Ltd.		79,394
Affiliated Computer Services		410,086
Altus Dynamics		75,888
Altus Group Limited		25,193
Andres Project Management		37,978
Automic Software Inc.		25,077
Avnet Technology Solutions		262,845
Avnet, Inc.		29,674
BC Hydro		51,683
BFC Projects Partnership		433,359
BizTechMasters Inc		26,184
Boardwalk Communications		264,415
Boughton Law		52,057
Canada Post Corporation		1,343,803
CIBC		27,284
Citrix Systems Inc.		30,099
City of Courtenay		36,303
City of Dawson Creek		28,520
City of Kamloops		47,164
Colbrook Properties Ltd.		127,760
Cooper Planning and Development Consultants		30,392
Crease Harman & Company		446,688
Dasilva Developments Ltd.		67,337
Docu-Link International Inc		290,254
Elevate Consulting		31,705
Ernst & Young LLP		644,648
ESRI Canada Ltd.		35,893
Focis Consulting		47,616
Frontage Holdings		84,864
Gartner Canada Co.		49,280

- Prepared under the Financial Information Regulation, Schedule 1, s. 7. and the *Financial Information Act*.s. 2.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF PAYMENTS TO SUPPLIERS
FOR GOODS AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

NAME		PAYMENT
Gemini Joint Venture	$	99,213
Global Knowledge Network Canada Inc.		92,783
Grant Thornton LLP		75,927
Harbour Air Ltd.		35,700
Hub International Insurance Brokers		124,066
I.G. Systems Corporation		25,325
Integrated Cadastral Information Society		1,406,091
Ion Design Inc		35,510
Island Key Computer Limited		127,525
Jawl Properties Ltd.		423,585
Jenkins Marzban Logan LLP		29,180
Knowledge Solutions Consulting Inc.		41,752
KPMG LLP, T4348		35,832
Lex Pacifica Law Corporation		195,188
LinkedIn Ireland		25,159
Majestic Management (1981) Ltd.		271,983
Mccarthy Tetrault LLP		82,409
Mercer (Canada) Limited		79,817
Micro Com Systems (1992) Ltd.		97,616
Microsoft Canada Inc.		55,125
Microsoft Licensing, GP		248,210
Modus Inc.		115,920
Monk Office Supply Ltd.		421,454
Monster Worldwide Canada		30,818
Myra Systems Corp.		1,809,811
NMSP itf KAB Properties Inc.		359,273
Office Max (Grand and Toy)		107,915
Oracle Corporation Canada Inc.		107,064
Perrin Thorau and Associates		52,063
PHH Vehicle Management Services Inc.		123,566
Pictometry Canada Corporporation		452,025
PPC Worldwide Canada EAP Services Ltd.		48,052
Province of BC		3,739,277

• Prepared under the Financial Information Regulation, Schedule 1, s. 7. and the *Financial Information Act s. 2.*

BRITISH COLUMBIA ASSESSMENT AUTHORITY
SCHEDULE OF PAYMENTS TO SUPPLIERS
FOR GOODS AND SERVICES
FOR THE YEAR ENDED DECEMBER 31, 2013

NAME		PAYMENT
Quantum Lighting Inc.	$	58,073
Quartech Systems Ltd.		100,887
R.A. Malatest & Associates Ltd.		51,228
Ravine Equities Inc.		2,048,618
Re/Max Check Realty (In Trust)		133,311
RealNet Canada Inc.		36,779
Royal Bank of Canada		26,683
Salish Consulting		81,075
SHI Canada ULC		81,339
Sierra Systems Group Inc.		38,255
Taylor Made Solutions		42,807
Tekara Organizational Effectiveness Inc.		32,293
TELUS Communications Company		814,286
TELUS Mobility		166,664
Telus Services Inc.		657,744
The Institute of Corporate Directors		28,753
Trek Aerial Surveys		96,884
Tyler Technologies Inc.		726,424
Udutu Learning Systems Inc.		79,527
Vizeum Canada Inc.		119,546
Wallace Street Projects Inc.		25,492
Warrington PCI ITF Clearbrook Plaza		327,414
Workers' Compensation Board of B.C.		39,606
Xerox Canada Ltd.		412,617
Under $25,000		1,471,783
TOTAL	**$**	**25,505,187**

- Prepared under the Financial Information Regulation, Schedule 1, s. 7. and the *Financial Information Act s.* 2.

BRITISH COLUMBIA ASSESSMENT AUTHORITY
RECONCILIATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

		December 31 2013
Employees		
Employee remuneration	$	45,472,440
Employee expense		2,335,663
Board members:		
Board members' remuneration		78,885
Board members' expense		71,611
Other:		
Payments for the provision of goods or services		25,505,187
Amortization		3,961,779
Accrual, tax and other reconciling items		8,207,416
Total expenses per audited financial statements	$	85,632,981